

REMARKS

Claims 1 – 31 are pending in the application. Claims 1-3, 5, 13-15, and 21 have been currently amended.

A Request for Continued Examination (RCE) under 37 C.F.R. §1.114 is being filed concurrently.

Claim Rejections – 35 U.S.C. §103

Claims 1–8, 13–16, and 21-27 were rejected under 35 U.S.C. §103(a) as being unpatentable over Kunstadt (US Patent No. 5,003,598) in view of Shefi (US Patent No. 6,266,413). Favorable reconsideration of this rejection is respectfully requested since, as will be shown below, Kunstadt and Shefi when combined do not teach the present invention as claimed in claim 1 as currently amended.

First of all, a general comment on the Kunstadt and Shefi citations is that they are two different and opposite techniques and cannot be used together. In Kunstadt the secret is the starting point, the manually settable switches 53 (column 3 lines 26-27) and the open non secret is the broadcasting radio station. By contrast in Shefi the secret is the table and the starting point lies in the open non secret – the random numbers of the starting portion of a one-key that are transmitted openly between the parties. That is to say the two systems are complete opposites and cannot be combined even conceptually.

Now, the Examiner firstly argues that the term “bit stream” includes an analog bit stream. Applicant has in response amended claim 1 to refer explicitly to a digital bit stream. However applicant points out that the claim already stated “bit stream” and bits are necessarily digital. That is to say the term “bit” is a contraction of “binary digit”. Bits are 1s and 0s which are *inherently* digital.

Secondly the Examiner argues that there is motivation to combine Kunstadt with Shefi. It is respectfully pointed out that since the Kunstadt system is analog and the Shefi system is digital, it is simply not possible to combine them in order to arrive at a same random process. More particularly, since analog systems are inherently noisy, that is to say you never arrive at exact signal levels, if the Kunstadt signal were to be extracted at two different locations it would not and could not provide the same digital results or anything even remotely close thereto. That is to say, the typical broadcast signal that Kunstadt makes use of is completely inappropriate for a use such as the present use in which it is desired to produce an identical one-time pad at two

locations. Kunststadt would never in a million years yield an identical one-time pad at the two locations.

The third point the Examiner raises is that the feature of the random bit source being available at both the parties without providing an entire secret table to them, is only present in the preamble of the claim and not in the claim limitations. While it is the view of the applicant that the feature was present in the limitations because the claim did say that each selector was available at each party, the claim has now been clarified to make this point more forcibly.

Thus independent claims 1, 13 and 21 are believed to be novel and inventive for the above reasons. The remaining claims are believed to be allowable as being dependent on allowable main claims.

Furthermore the amendments made to the claims are believed to be of features that were intrinsic to the previous claims or were entirely obvious. It is therefore believed that the present amendments can be entered even though this is a final Office Action.

All of the matters raised by the Examiner have been dealt with and are believed to have been overcome. In view of the foregoing, it is respectfully submitted that all the claims now pending in the application are allowable over the cited reference. An early Notice of Allowance is therefore respectfully requested.

Respectfully submitted,



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Date: November 24, 2005

Encl.:

1. Request for Continued Examination (RCE)
2. 3-Month Extension Fee